



John Nelson, President ACEC of Maine

By John Nelson

Just back from the ACEC National Convention in Washington, I continue to be impressed with the breadth and reach of the national organization. Our industry and its interests are well represented by ACEC, which

remains a connected lobbying powerhouse on our behalf. The ACEC PAC is now in the top 4% of national organizations and with that comes the clout necessary to lobby on both sides of the aisle. The issues that ACEC is focused on clearly are ones that impact our Maine member firms, including infrastructure funding, QBS selection, advantageous tax policy, comprehensive energy policies, and educational programs to support science and math advancement. I encourage you to visit the ACEC web site to review our advocacy programs and also to consider making an ACEC PAC contribution to help us meet our state goal of \$6,533.

Because of the influence of the national organization, ACEC members were able fan out across Capitol Hill to meet with legislators. Scott Graham, Bruce Ward, Paul Lariviere and I had very productive meetings with the senior staffs of all four of Maine's legislators and were able to meet personally with Senator Collins and Representative Michaud. We focused predominately on the need for infrastructure funding, both because of the dire need and as an economic development and stimulus tool.

1. We asked for their support on an FAA funding bill that includes emergency funding to address the Highway Trust Fund shortage and fully funding the SAFETEA-LU authorization. (Unfortunately, this bill just failed in the Senate, but ACEC is already circling the wagons to get it on the docket again).

President's Report

2. On the water and wastewater side, we encouraged Senators Snowe and Collins to support the House bill HR720 which authorizes and expands the Clean Water Act's SRF program with \$14B in funds. Both will do so.

3. We stressed the need in the future for stable and predictable funding for both transportation and water/wastewater projects. Tough decisions and compromises will be needed to shore up the Highway Trust Fund and to develop a similar permanent funding mechanism for water and wastewater.

4. A coordinated and robust energy policy was also discussed, along with the need for developing formal regulations for CO2 levels so that our energy clients can begin planning their infrastructure improvements.

The final issue we discussed was the need for the repeal of the 3% withholding mandate. For those who don't know about this issue, beginning in 2011, any federal, state, or local government or government agency that receives federal funding and contracts more than \$100M annually will be required to withhold 3% of all consultants' payments. The thought is that this will capture tax revenue of those who do not claim all the income; however, since most of our firms are S Corps or LLC and required to file estimated taxes anyway, this argument does not appear to be valid. At first blush, you may not think this would apply to many of our projects in Maine, but the reality is that many of our clients do indeed contract more than \$100M in the aggregate. This withholding would have serious cash-flow consequences and be onerous to manage both by

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Save these Dates

EAA Awards Deadline - October 17th
ACEC Fall Forum - November 21st

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us and the government.

Our meetings revealed that ACEC of Maine has friends on the Hill, all in support of our basic agenda and the issues discussed.

We are no slouches on the state advocacy front as well. On February 26th, along with the Associated General Contractors and AIA of Maine, we sponsored the annual Design-Construction Legislative Breakfast, well attended by legislators and the legislative leadership. A panel of Steve Rich of WBRC Architects, Loren Clarke of Nickerson & O'Day and me fielded questions regarding sustainability/green design, infrastructure improvements, and the support of a state-wide uniform building and energy code. This year's different format led to lively discussions and furthered the legislators' appreciation for the design and construction industry needs. We will continue to nurture this relationship and the ACEC Board is discussing how to best meet with the leadership and committee chairs. This legislative session was quite full in terms of the number of issues our task force reviewed. Our support of the uniform code was helpful in its passage. We also supported a number of rehabilitation credit proposals to a more limited success.

Somewhat related to advocacy, we are working with the University of Maine's College of Engineering to attempt to establish the economic value of engineering work that is done in-state for out-of-state projects. The University wants to establish that our intellectual capital allows us to bring significant dollars back into the state. This information will be helpful for them to argue the importance of continued funding, and it will also help us in future arguments about taxes on professional services. Please look for a mailing soon and send your confidential responses back by the designated time.

At our March annual meeting, we hosted DOT Commissioner David Cole and Scott Cowger from DEP's education and outreach department. Both spoke of their department's priorities, funding

environment, and potential regulatory changes. The presentations were insightful, but the networking afterwards was probably even more beneficial.

The Board held its annual planning retreat on May 2. As always, we are looking at improving our advocacy and outreach by potentially meeting with legislators, developing relationships with the Maine Chamber and/or MMA, and meeting with other engineering and professional service organizations to see how we can best combine our resources. We are also looking at future meeting topics that focus on the needs and interests of our members. If anyone has a particular issue they would like to address or if you would like to participate in a meeting presentation or panel, please let us know. For the September meeting, we are exploring a discussion about the East-West highway and the impacts of it from an engineering and funding perspective, perhaps expanding it into a panel about the overall difficulties of funding and private/public infrastructure partnerships. Also, see the side story about the tentative plans for the Fall Forum.

We recently developed next year's budget and just emailed that to you for approval. With the fourth quarter dues, Brett Hart sent out a request for an updated employee count. Please confirm your counts with him at your earliest convenience so that we can finalize the budget.

In closing, the Board would like to thank you for your participation in our organization and encourage you to get involved. We would also like to increase our reach within your firms and would like to expand our email list to reach those next leaders in your firms who would benefit from exposure to the business interests that ACEC represents and develops. I encourage member firms to send Paul Lariviere their expanded list.

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Engineering Excellence Awards and the Fall Forum at Orono

It is not too early to begin thinking about next year's Engineering Excellence Awards and to start to strategize about the winning submittal! Last year we were disappointed that we only had three submittals, but suspect that our tardiness in getting out the applications were the main reason. So, we look forward to many, interesting projects being submitted this year, with a number of them hopefully going on to National glory as well. Information will be coming out in August with a submittal due date of October 17.

As in the past, the EEA Luncheon will be held in conjunction with the Fall Forum. We are excited to be holding the Fall Forum at the University of Maine in Orono this year, tentatively scheduled for November 19th. We are currently ironing out the details, but right now the Fall Forum will include a session for future leaders focusing on leadership development and a parallel session for current leaders focusing on ownership transition issues. The ownership transition session will most likely involve a panel of firms who have an internal transition plan, who have been acquired and who may be doing the acquiring. Given all the merger activity of late, this topic seems particularly germane. We are also looking at involving students in the program, perhaps with a roundtable discussion about the "real world" of engineering. In order to give them an opportunity to see projects in action, we may also ask them to meet with EEA submitters and vote for their favorite. This would provide our firms a good chance to mingle with students and perhaps provide a great opportunity for you to send younger staff to gain them exposure and to assist your recruiting efforts. For "social" activities, we are planning a tour of the UMO facilities as well as a reception the evening before the Fall Forum, November 18th. Also, we are planning to reserve a block of rooms at the soon-to-be opened Hollywood Slots Hotel in Bangor for the night of 18th. Obviously, more details will be coming, so stay tuned and mark your calendar.

Economic Value Study - More than just Lobsters

Coming to your mailbox soon will be a request to assist the University of Maine's College of Engineering. Your participation is vital to this important research effort to prove that Maine exports more than lobsters and paper (oh, ok and microchips). The College is continually fighting for its funding and we can provide them with the data to assist in their fight. We have made the valuation as simple as possible to provide truly a back of the envelope calculation. A healthy state engineering school is crucial for our long-term success and we are confident that you will assist the University by sending your response to Chet Rock as soon as you get it.

Increase the value of your ACEC Membership

Are you getting the most out of your membership? Are you too busy to participate? Would your rising stars benefit from the exposure to business issues that ACEC provides? We suspect we know the answers to all those questions and encourage you to get others in your organization involved. Consider updating your official representatives to include those who may benefit. Also, beyond the official representatives, consider adding additional employees to our mailing list so that they can get direct correspondence about activities and meetings that they may enjoy. Contact Paul Lariviere at paullariviere@mainetomorrow.com to make any changes or additions to your contacts.

New Member

Welcome to Gartley & Dorsky – Effective April 1, 2008 the firm of Gartley & Dorsky Engineering and Surveying of Camden became a member of ACEC of Maine. They have 18 permanent employees and specialize in civil and structural engineering.

ACEC of Maine Members Meeting

Like much of the other infrastructure in Maine our water treatment plants are reaching their life expectancy. Unfortunately this is happening at a time when both the State and Federal funding sources are “drying up”. Having an adequate drinking water supply is critical for economic growth. Currently the needs over the next five years total \$422,000,000!

Maine DEP is in the process of developing new discharge criteria for coastal areas of the State. Also, they have identified vernal pools as a critical habitat and are working to develop criteria to consistently identify these resources.

DEP has worked very hard to shorten permit review and issue times. Their staff is down by 10% since 2002 and they spend about 1% of the State budget.

And lastly, Mr. Cowger indicated that wind energy is the fastest growing utility-scale energy source in Maine.



*Presentation by Scott Cowger,
Maine DEP at March 19, 2008
ACEC of Maine Members Meeting*

Commissioner Cole opened his comments by announcing that he had learned that day that Maine was receiving an ACEC Engineering Excellence Award at the ACEC Annual Convention for the Penobscot Narrows Bridge.



*Presentation by Commissioner
David Cole, Maine DOT at
March 19, 2008 ACEC of Maine
Members Meeting*

The challenge in Maine, as in the rest of the country, is that transportation needs far outstrip the available funds. Freight traffic continues to grow rapidly as China becomes “the factory floor of the world”. Failed transportation systems have an incalculable economic impact. Today, one half of Maine’s bridges are more than 50 years old. Commissioner Cole suggested reviewing a report on bridges at Maine DOT’s website

“Currently our challenge is maintaining the current system, much less expanding the transportation system.” He indicated that we will deal with it because we have to. Over the next 2 – 5 years he expects to see big changes in transportation funding , especially for new roads which will have to rely on Public/Private Partnerships.

The regulatory changes that he discussed included Army Corps of Engineers requirements for wetland mitigation, and more emphasis on cumulative and secondary impacts under NEPA. Also, the STPA is being amended with a major rule making to include a stronger tie to land use planning.

The Commissioner also announced a broad conceptual agreement for a container port at Sears Island. Over half of the island will be preserved for recreation. One of the challenges facing Maine with regards to freight movement is that we are one of only 3 or 4 States without a Class 1 railroad, making it more challenging to move large amounts of freight from our ports to inland destinations.

The QBS Newsletter

The American Institute of Architects-Maine Chapter
The American Council of Engineering Companies of Maine

5 MRSA 1742: Approve selection of architects and engineers. To approve the selection of architects and engineers registered in Maine in the planning, design and monitoring of construction of public improvements consistent with the policy of this State that proposals for architectural and engineering services for public improvements be publicly announced, and that contracts for architectural and engineering services be negotiated by the contracting authority on the basis of evaluation of professional competency and qualifications required for the type of services contemplated at fair and reasonable prices.

April | May 2008

QBS, the Value Increases

Qualification Based Selection (QBS) has always been seen as a way for an owner to maximize the return on the investment in design services. Although this investment may be small when compared to the overall “Life-Cycle Cost” of the facility, this investment has a major impact on the balance of the costs over the project life-cycle. The selection of a less efficient system or a requirement for a product that will not stand up to the Owner’s expected use can add greatly to the ongoing operating and maintenance cost.

Each change in a Building Code or new mandate from a governmental agency creates requirements that have to be reviewed. New ways to solve these issues must be identified that not only meet these new requirements but also to do it in a way that recognizes the Owner’s funding limitations. The use of these new ways may also require greater education of the Owner.

With many of the causes of price escalation of building material beyond the control of either the designer or the Owner, research must be undertaken to identify new methods or materials that should be considered for a project to stay within the project budget and project “Time-line”. This research must include the long-term operating and maintenance costs as the initial costs and availability should not be the sole criteria for selection. If the client is to be well-served, the designer must consider all of the factors that will be an expense to the Owner during the time ownership is retained.

Please Post

These factors and many more should bring one to the conclusion that the primary factor in the selection of the design team should be “QUALIFICATIONS” but it does take some work on the part of an Owner to determine the firm that is most qualified. This is where a good understanding of the purpose of QBS and the methods used to determine qualifications is of great value.

The Maine QBS Program has established a website – www.meqbs.org that has attracted increasing interest since it was initially created. The website includes not only an explanation of the value of QBS to the Owner but also a set of forms and instructions that can easily be downloaded and modified for a specific project. In addition to the website, the QBS Program provides free services to assist Owners in better understanding the process.

Anyone that anticipates acquiring design services for any project of any size would be well served to review the material contained on the Maine QBS Program website. This may not answer all questions but it certainly will give one things to consider.